

# HOUSE BILL REPORT

## ESSB 5620

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### As Reported by House Committee On: Local Government

**Title:** An act relating to priority consideration of buffers in open space plans, public benefit rating systems, and assessed valuation schedules.

**Brief Description:** Providing for priority consideration for lands used as buffers in planning.

**Sponsors:** Senate Committee on Government Operations & Elections (originally sponsored by Senators Kline, Mulliken, Pridemore, Kastama, Poulsen, Rockefeller, Fairley and Kohl-Welles).

#### **Brief History:**

##### **Committee Activity:**

Local Government: 3/30/05 [DPA].

#### **Brief Summary of Engrossed Substitute Bill (As Amended by House Committee)**

- Requires counties to give priority consideration to buffers planted in native vegetation when adopting open space plans, public benefit rating systems, and assessed valuation schedules under the Open Space Taxation Act.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass as amended. Signed by 4 members: Representatives Simpson, Chair; Clibborn, Vice Chair; Takko and Woods.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Schindler, Ranking Minority Member; and Ahern, Assistant Ranking Minority Member.

**Staff:** CeCe Clynch (786-7168).

#### **Background:**

In the Open Space Taxation Act (Act), the Legislature declared that it is in the best interest of the state to maintain and preserve adequate open space lands for the production of food, fiber, and forest crops, as well as to ensure the continued preservation of the state's natural resources and scenic beauty. To this end, a statutory scheme was put in place to encourage the preservation of designated open space, farm and agricultural lands, and timber lands through the creation of a system of tax incentives.

Under this system of tax incentives, property meeting certain criteria is assessed and taxed on the basis of its current "use value" rather than "market value" or the value that could be derived from the "highest and best use" of the property. Counties are authorized to: (1) set open space priorities; (2) adopt an open space plan; and (3) create a "public benefit rating system" for tax assessment purposes. County auditors are directed to establish an "assessed valuation schedule" as a means of determining the taxable value of designated open space land. In determining the taxable value of designated open space land, the county assessor must utilize current "use value" rather than considering potential uses.

Once land has been classified under the Act, a notation of the classification is entered each year upon the assessment and tax rolls and the land is so valued until removal of all or a portion of the classification by the assessor. Removal or declassification occurs in the following circumstances:

- receipt of notice from the owner to remove or declassify;
- sale or transfer making all or a portion of the land exempt from ad valorem taxation;
- sale or transfer to a new owner, unless the new owner signs a notice of classification continuance; or
- determination by the assessor, after giving the owner written notice an opportunity to be heard, that all or a portion of the land no longer meets the criteria for classification under the Act.

The assessor is required to notify the owner in writing of the reasons for removal. The seller, transferor, or owner may appeal the removal to the county Board of Equalization. Upon final removal, the assessor revalues the property with reference to its true and fair value. In some circumstances, an additional tax, applicable interest, and a penalty is imposed.

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### **Summary of Amended Bill:**

In adopting open space plans, public benefit rating systems, and assessed valuation schedules, a county must give "priority consideration" to lands used for buffers that are composed of primarily native vegetation. "Priority consideration" includes the establishment of classification eligibility and maintenance criteria applicable to qualifying buffers.

Unless buffers already receive priority consideration, counties are directed to incorporate priority consideration for buffers planted with native vegetation within the counties' open space plans, public benefit rating systems, and assessed valuation schedules no later than July 1, 2006.

### **Amended Bill Compared to Engrossed Substitute Bill:**

The subsection which provided that airport property that is classified as open space can only be declassified upon written notice from the owner, is stricken.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** It is important that priority consideration be given to buffers. The underlying bill, absent the amendment regarding airports, provides an incentive for landowners to establish and maintain buffers in native vegetation. It is preferable to the original in that it applies to both voluntary and required buffers. Removing the provision with respect to airports is favored.

**Testimony Against:** None.

**Persons Testifying:** Senator Kline, prime sponsor; and Genesee Adkins, Futurewise.

**Persons Signed In To Testify But Not Testifying:** None.